AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 3702
OFFERED BY MR. GREEN OF TEXAS
[Reforming Disaster Recovery Act]

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

This Act may be cited as the “Reforming Disaster Recovery Act of 2019”.

2 SEC. 2. COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY PROGRAM.

(a) IN GENERAL.—Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) is amended by adding at the end the following new section:

“SEC. 123. CDBG-DISASTER RECOVERY ASSISTANCE.

“(a) AUTHORITY; USE.—The Secretary may provide assistance under this section to States, including Puerto Rico, units of general local government, and Indian tribes for necessary expenses for activities authorized under this title related to disaster relief, resiliency, long-term recovery, restoration of infrastructure and housing, mitigation, and economic revitalization in the most impacted and distressed areas (as such term shall be defined by the Sec-
(b) ALLOCATION; COORDINATION.—

“(1) ALLOCATION FOR MITIGATION.—In determining the amount allocated under this section for any grantee, the Secretary shall include an additional amount for mitigation that is not less than 45 percent of the amount allocated for such grantee for unmet needs.

“(2) DEADLINES FOR ALLOCATION.—Except as provided in paragraph (3), after the enactment of an Act making funds available for assistance under this section, the Secretary shall allocate for grantees, based on the best available data all funds provided for assistance under this section within 60 days of the date of the enactment of such Act.

“(3) INAPPLICABILITY OF DEADLINES BASED ON INSUFFICIENT INFORMATION.—The deadlines under paragraph (2) for allocation of funds shall not apply in the case of funds made available for assistance under this section if Federal Emergency Management Agency has not made sufficient information available to the Secretary regarding relevant unmet recovery needs to make allocations in accordance
with such deadlines. The Secretary shall notify the
Congress of progress on or delay in receiving the
necessary information within 60 days following dec-
laration of such a major disaster and monthly there-
after until all necessary information is received.

“(4) Obligation of amounts by the Sec-
retary.—Subject to subsection (e)(1), the Sec-
retary shall provide for the disbursement of the
amounts allocated for a grantee, but shall require
the grantee to be in substantial compliance with the
requirements of this section before each such dis-
bursement.

“(5) Coordination of disaster benefits
and data with other federal agencies.—

“(A) Coordination of data.—The Sec-
retary shall coordinate with other agencies to
obtain data on recovery needs, including the
Administrator of the Federal Emergency Man-
agement Agency and the Administrator of the
Small Business Administration, and other agen-
cies when necessary regarding disaster benefits.

“(B) Coordination with FEMA.—The
Secretary shall share with the Administrator of
the Federal Emergency Management Agency,
and make publicly available, all data collected,
possessed, or analyzed during the course of a
disaster recovery for which assistance is pro-
vided under this section including—

“(i) all data on damage caused by the
disaster;

“(ii) information on how any Federal
assistance provided in connection with the
disaster is expended; and

“(iii) information regarding the effect
of the disaster on education, transportation
capabilities and dependence, housing
needs, health care capacity, and displace-
ment of persons.

“(C) REQUIREMENTS REGARDING ELIGI-
BILITY FOR DIRECT ASSISTANCE AND DUPLICA-
TION OF BENEFITS.—

“(i) COMPLIANCE.—Funds made
available under this subsection shall be
used in accordance with section 312 of the
Robert T. Stafford Disaster Relief and
Emergency Assistance Act (42 U.S.C.
5155), as amended by section 1210 of the
Disaster Recovery Reform Act of 2018
(Division D, Public Law 115-254), and
such rules as may be prescribed under
such section.

“(ii) PRIORITY.—Households having
the lowest incomes shall be prioritized for
assistance under this section until all
unmet needs are satisfied for families hav-
ing an income up to 120 percent of the
median for the area.

“(D) TREATMENT OF DUPLICATIVE BENE-

fits.—In any case in which a grantee provides
assistance that duplicates benefits available to a
person for the same purpose from another
source, the grantee itself shall either (i) be sub-
ject to remedies for noncompliance under sec-
tion 111, or (ii) bear responsibility for absorb-
ing such cost of duplicative benefits and returning
an amount equal to any duplicative benefits
paid to the grantee’s funds available for use
under this section or to the Community Devel-

opment Block Grant Disaster Recovery Reserve
Fund under section 124, unless the Secretary
issues a public determination by publication in
the Federal Register that it is not in the best
interest of the Federal Government to pursue
such remedies.
“(E) Protection of Personally Identifiable Information.—In carrying out this paragraph, the Secretary and the grantee shall take such actions as may be necessary to ensure that personally identifiable information regarding recipients of assistance provided from funds made available under this section is not made publically available by the Department of Housing and Urban Development or any agency with which information is shared pursuant to this paragraph.

“(c) Plan for Use of Assistance.—

“(1) Requirement.—Not later than 90 days after the allocation pursuant to subsection (b)(1) of all of the funds made available by an appropriations Act for assistance under this section and before the Secretary obligates any of such funds for a grantee, the grantee shall submit a plan to the Secretary for approval detailing the proposed use of all funds, which shall include, at a minimum—

“(A) criteria for eligibility for each proposed use of funds, including eligibility limits on income and geography, and a description of how each proposed use of such funds will comply with all civil rights and fair housing laws
and will address unmet needs relating to disaster relief, resiliency, long-term recovery, restoration of infrastructure and housing, mitigation, and economic revitalization in the most impacted and distressed areas, including assistance to impacted households experiencing homelessness as defined by section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) or at risk of homelessness as defined by section 401 of such Act (42 U.S.C. 11360);

“(B) an agreement to share data, disaggregated by the smallest census tract, block group, or block possible for the data set, with Federal agencies and other providers of disaster relief, which shall include information the grantee has regarding the matters described in subsection (b)(4)(B);

“(C) identification of officials and offices responsible for administering such funds and processes and procedures for identifying and recovering duplicate benefits; and

“(D) a plan for ensuring compliance with the Fair Housing Act, which may include, at the election of the grantee, providing for part-
nerships with local fair housing organizations
and funding set-aside for local fair housing or-
ganizations to handle complaints relating to as-
sistance with amounts made available for use
under this section.

“(2) APPROVAL.—The Secretary shall, by regu-
lation, specify criteria for approval of plans under
paragraph (1), including approval of substantial
amendments to such plans.

“(3) DISAPPROVAL.—The Secretary shall dis-
approve a plan or substantial amendment to a plan
if—

“(A) the plan or substantial amendment
does not meet the approval criteria;

“(B) based on damage and unmet needs
assessments of the Secretary and the Federal
Emergency Management Administration or
such other information as may be available, the
plan or amendment does not address equitable
allocation of resources—

“(i) between infrastructure and hous-
ing activities; and

“(ii) between homeowners, renters,
and persons experiencing homelessness;
“(C) the plan or amendment does not provide an adequate plan for ensuring that funding provided under this section is used in compliance with the Fair Housing Act;

“(D) the plan or amendment does not prioritize the one-for-one replacement, with cost adjustment where appropriate, of damaged dwelling units in public housing, in projects receiving tax credits pursuant to section 42 of the Internal Revenue Code of 1986, or in projects assisted under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), under section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013), under the HOME Investment Partnerships Act (42 U.S.C. 12721 et seq), under the community development block grant program under this title, or by the Housing Trust Fund under section 1338 of the Housing and Community Development Act of 1992 (12 U.S.C. 4568); or

“(E) the plan or amendment does not provide a process to provide applicants—

“(i) notice by grantee of applicant’s right to appeal any adverse action or inaction;
“(ii) right to full discovery of applicant’s entire application file; and

“(iii) right to appeal to a court of competent jurisdiction in the vicinage of the applicant’s residence at the time of the appeal.

“(4) Public consultation.— In developing the plan required under paragraph (1), a grantee shall, at a minimum—

“(A) consult with affected residents, stakeholders, local governments, and public housing authorities to assess needs;

“(B) publish the plan in accordance with the requirements set forth by the Secretary, including a requirement to prominently post the plan on the website of the grantee for not less than 14 days;

“(C) ensure equal access for individuals with disabilities and individuals with limited English proficiency; and

“(D) publish the plan in a manner that affords citizens, affected local governments, and other interested parties a reasonable opportunity to examine the contents of the plan and provide feedback.
“(5) Resubmission.—The Secretary shall permit a grantee to revise and resubmit a disapproved plan or plan amendment.

“(6) Timing.—

“(A) In General.—The Secretary shall approve or disapprove a plan not later than 60 days after submission of the plan to the Secretary. The Secretary shall immediately notify the applicant of the Secretary’s decision.

“(B) Disapproval.—If the Secretary disapproves a plan, not later than 15 days after such disapproval the Secretary shall inform the applicant in writing of (A) the reasons for disapproval, and (B) actions that the applicant could take to meet the criteria for approval.

“(C) Amendments; Resubmission.—The Secretary shall, for a period of not less than 45 days following the date of disapproval, permit amendments to, or the resubmission of, any plan that is disapproved. The Secretary shall approve or disapprove a plan amendment not less than 30 days after receipt of such amendments or resubmission.

“(D) Grant Agreements.—Subject to subsection (b)(3), the Secretary shall ensure
that all grant agreements necessary for prompt
disbursement of funds allocated to a grantee
are executed within 60 days of approval of
grantee’s plan.

“(d) FINANCIAL CONTROLS.—

“(1) COMPLIANCE SYSTEM.—The Secretary
shall develop and maintain a system to ensure that
each grantee has and will maintain for the life of the
grant—

“(A) proficient financial controls and pro-
curement processes;

“(B) adequate procedures to ensure that
all eligible families and individuals are approved
for assistance with amounts made available
under this section and that recipients are pro-
vided the full amount of assistance for which
they are eligible;

“(C) adequate procedures to prevent any
duplication of benefits, as defined by section
312 of the Robert T. Stafford Disaster Relief
and Emergency Assistance Act (42 U.S.C.
5155), to ensure timely expenditure of funds,
and to detect and prevent waste, fraud, and
abuse of funds; and
“(D) adequate procedures to ensure the grantee will maintain comprehensive and publicly accessible websites that make available information regarding all disaster recovery activities assisted with such funds, which information shall include—

“(i) full and unredacted copies of all requests for qualification for assistance or for procurement with such funds, however styled;

“(ii) all responses to such requests, subject to redactions necessary to protect personal or proprietary data;

“(iii) the identity of any entity that reviews, evaluates, scores, or otherwise influences or determines the disposition of such requests;

“(iv) all reports, however styled, containing the reviewing individual or entity’s scores, findings, and conclusions regarding such requests; and

“(v) any resulting contract, agreement, or other disposition of such requests; except that such procedures shall ensure that personally identifiable information re-
garding recipients of assistance provided
from funds made available under this sec-
tion shall not be made publicly available.

“(2) **EVALUATION OF COMPLIANCE.**—The Sec-
retary shall provide, by regulation or guideline, a
method for qualitatively and quantitatively evalu-
ating compliance with the requirements under para-
graph (1).

“(3) **CERTIFICATION.**—As a condition of mak-
ing any grant, the Secretary shall certify in advance
that the grantee has in place the processes and pro-
cedures required under subparagraphs (A) through
(D) of paragraph (1).

“(e) **USE OF FUNDS.**—

“(1) **ADMINISTRATIVE COSTS.**—

“(A) **IN GENERAL.**—A State, unit of gen-
eral local government, or Indian tribe receiving
a grant under this section may use not less
than 7 percent and not more than 10 percent
of the amount of grant funds received, or with-
in such other percentage as may be established
pursuant to subparagraph (B), for administra-
tive costs and shall document the use of funds
for such purpose in accordance with such re-
quirements as the Secretary shall establish.
“(B) DISCRETION TO ESTABLISH SLIDING SCALE.—The Secretary may establish a series of percentage limitations on the amount of grant funds received that may be used by a grantee for administrative costs, but only if—

“(i) such percentage limitations are based on the amount of grant funds received by a grantee;

“(ii) such series provides that the percentage that may be so used is lower for grantees receiving a greater amount of grant funds and such percentage that may be so used is higher for grantees receiving a lesser amount of grant funds; and

“(iii) in no case may a grantee so use more than 10 percent of grant funds received.

“(2) LIMITATIONS ON USE.—Amounts from a grant under this section may not be used for activities—

“(A) that are reimbursable, or for which funds are made available, by the Federal Emergency Management Agency, including under the Robert T. Stafford Disaster Relief and Emer-
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gency Assistance Act or the National Flood Ins-
surance Program; or

“(B) for which funds are made available
by the Army Corps of Engineers.

“(3) HUD ADMINISTRATIVE COSTS.—

“(A) LIMITATION.—Of any funds made
available for use under this section by any sin-
gle appropriations Act, the Secretary may use 1
percent of any such amount exceeding
$1,000,000,000 for necessary costs, including
information technology costs, of administering
and overseeing the obligation and expenditure
of amounts made available for use under this
section.

“(B) TRANSFER OF FUNDS.—Any amounts
made available for use in accordance with sub-
paragraph (A)—

“(i) shall be transferred to the ac-
count for Program Office Salaries and Ex-
penses—Community Planning and Devel-

doment for the Department;

“(ii) shall remain available until ex-
pended; and

“(iii) may be used for administering
any funds appropriated to the Department
for any disaster and related purposes in any prior or future Act, notwithstanding the disaster for which such funds were appropriated.

“(4) INSPECTOR GENERAL.—Of any funds made available for use in accordance with paragraph (3)(A), 15 percent shall be transferred to the Office of the Inspector General for necessary costs of audits, reviews, oversight, evaluation, and investigations relating to amounts made available for use under this section.

“(5) CAPACITY BUILDING.—Of any funds made available for use under this section, not more than 0.1 percent or $15,000,000, whichever is less, shall be made available to the Secretary for capacity building and technical assistance, including assistance regarding contracting and procurement processes, to support grantees and subgrantees receiving funds under this section.

“(6) COMPLIANCE WITH STORM WATER PROTECTIONS.—The Secretary shall provide that no funds made available under this section may be used for construction, reconstruction, or installation of any infrastructure unless the infrastructure assisted complies with any minimum standards for protection
from floods and stormwaters, including the Federal Flood Risk Management Standards of the Federal Emergency Management Agency.

“(7) FLOOD RISK MITIGATION.—

“(A) REQUIREMENTS.—Subject to subparagraph (B), the Secretary shall require that any structure that is located in an area having special flood hazards and that is newly constructed, for which substantial damage is repaired, or that is substantially improved, using amounts made available under this section, shall be elevated with the lowest floor, including the basement, at least two feet above the base flood level.

“(B) ALTERNATIVE MITIGATION.—In the case of existing structures consisting of multi-family housing and row houses, the Secretary shall seek consultation with the Administrator of the Federal Emergency Management Agency, shall provide for alternative forms of mitigation (apart from elevation), and shall exempt from the requirement under subparagraph (A) any such structure that meets the standards for such an alternative form of mitigation.
“(C) DEFINITIONS.—For purposes of sub-
paragraph (A), the terms ‘area having special
flood hazards’, ‘newly constructed’, ‘substantial
damage’, ‘substantial improvement’, and ‘base
flood level’ have the same meanings as under
the Flood Disaster Protection Act of 1973 and
the National Flood Insurance Act of 1968 (42
U.S.C. 4001 et seq.).

“(f) ADMINISTRATION.—In administering any
amounts made available for assistance under this section,
the Secretary—

“(1) may not allow a grantee to use any such
amounts for any purpose other than the purpose ap-
proved by the Secretary in the plan or amended plan
submitted under subsection (c)(1) to the Secretary
for use of such amounts;

“(2) may not permit a grantee to amend a plan
to retroactively approve a beneficiary’s use of funds
for an eligible activity other than an activity for
which the funds were originally approved in the
plan; and

“(3) shall prohibit a grantee from delegating,
by contract or otherwise, the responsibility for inher-
ent government functions.
“(g) Training for Grant Management for Subgrantees.—The Secretary shall require each grantee to provide ongoing training to all staff and subgrantees.

“(h) Procurement Processes and Procedures for Grantees.—

“(1) Grantee Processes and Procedures.—In procuring property or services to be paid for in whole or in part with amounts from a grant under this section, a grantee shall—

“(A) follow its own procurement processes and procedures, but only if the Secretary makes a determination that such processes and procedures comply with the requirements under paragraph (2); or

“(B) comply with such processes and procedures as the Secretary shall, by regulation, establish for purposes of this section.

“(2) Requirements.—The requirements under this paragraph with respect to the procurement processes and procedures of a grantee are that such processes and procedures shall—

“(A) provide for full and open competition and require cost or price analysis;

“(B) include requirements for procurement policies and procedures for subgrantees;
“(C) specify methods of procurement and their applicability, but not allow cost-plus-a-percentage-of cost or percentage-of-construction-cost methods of procurement;

“(D) include standards of conduct governing employees engaged in the award or administration of contracts; and

“(E) ensure that all purchase orders and contracts include any clauses required by Federal Statute, Executive Order, or implementing regulation.

“(3) NONCOMPLIANCE.—In the case of a grantee for which the Secretary finds pursuant to paragraph (1)(A) that its procurement processes and procedures do not comply with paragraph (2), the Secretary shall—

“(A) provide the grantee with specific written notice of the elements of noncompliance and the changes necessary to such processes and procedures to provide for compliance;

“(B) provide the grantee a reasonable period of time to come into compliance; and

“(C) during such period allow the grantee to proceed with procuring property and services paid for in whole or in part with amounts from
a grant under this section in compliance with
the procurement processes and procedures of
the grantee, but only if the Secretary deter-
mines that the grantee is making a good faith
effort to effectuate compliance with the require-
ments of paragraph (2).

“(i) Treatment of CDBG Allocations.—
Amounts made available for use under this section shall
not be considered relevant to the non-disaster formula al-
locations made pursuant to section 106 of this title (42

“(j) Waivers.—
“(1) Authority.—Subject to the other provi-
sions of this section, in administering amounts made
available for use under this section, the Secretary
may waive, or specify alternative requirements for,
any provision of any statute or regulation that the
Secretary administers in connection with the obliga-
tion by the Secretary or the use by the recipient of
such funds (except for requirements related to fair
housing, nondiscrimination, labor standards, and the
environment and except for the requirements of this
section), if the Secretary makes a public finding that
good cause exists for the waiver or alternative re-
requirement and such waiver or alternative require-
ment would not be inconsistent with the overall purpose of this title.

“(2) NOTICE AND PUBLICATION.—Any waiver of or alternative requirement pursuant to paragraph (1) shall not take effect before the expiration of the 5-day period beginning upon the publication of notice in the Federal Register of such waiver or alternative requirement.

“(3) LOW- AND MODERATE-INCOME USE.—The requirements in this Act that apply to grants made under section 106 of this title (except those related to the allocation) apply equally to grants under this section unless modified by a waiver or alternative requirement pursuant to paragraph (1). Notwithstanding the preceding sentence, the Secretary may not grant a waiver to reduce the percentage of funds that must be used for activities that benefit persons of low and moderate income to less than 70 percent, unless the Secretary specifically finds that there is compelling need to further reduce the percentage requirement and that funds are not necessary to address the housing needs of low- and moderate-income residents.
“(4) Prohibition.—The Secretary may not waive any provision of this section pursuant to the authority under paragraph (1).

“(k) Environmental Review.—

“(1) Adoption.—Notwithstanding subsection (j)(1), recipients of funds provided under this section that use such funds to supplement Federal assistance provided under section 402, 403, 404, 406, 407, 408(e)(4), 428, or 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) may adopt, without review or public comment, any environmental review, approval, or permit performed by a Federal agency, and such adoption shall satisfy the responsibilities of the recipient with respect to such environmental review, approval, or permit under section 104(g)(1) of this title (42 U.S.C. 5304(g)(1)).

“(2) Release of Funds.—Notwithstanding section 104(g)(2) of this title (42 U.S.C. 5304(g)(2)), the Secretary may, upon receipt of a request for release of funds and certification, immediately approve the release of funds for an activity or project assisted with amounts made available for use under this section if the recipient has adopted an environmental review, approval or permit under
paragraph (1) or the activity or project is categorically excluded from review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

“(l) Collection of Information; Audits and Oversight.—

“(1) Collection of Information.—For each major disaster for which assistance is made available under this section, the Secretary shall collect information from grantees regarding all recovery activities so assisted, including information on applicants and recipients of assistance, and shall make such information available to the public and to the Inspector General for the Department of Housing and Urban Development on a monthly basis using uniform data collection practices, and shall provide a monthly update to the Congress regarding compliance with this section. Information collected and reported by grantees and the Secretary shall be disaggregated by program, race, income, geography, and all protected classes of individuals under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Americans with Disabilities Act of 1990, the Fair Housing Act, the Civil Rights Act of 1964, and other civil rights and nondiscrimination
protections, with respect to the smallest census tract, block group, or block possible for the data set.

“(2) AVAILABILITY OF INFORMATION.—In carrying out this paragraph, the Secretary may make full and unredacted information available to academic and research institutions for the purpose of research into the equitable distribution of recovery funds, adherence to civil rights protections, and other areas.

“(3) PROTECTION OF INFORMATION.—The Secretary shall take such actions and make such redactions as may be necessary to ensure that personally identifiable information regarding recipients of assistance provided from funds made available under this section shall not made publicly available.

“(4) AUDITS AND OVERSIGHT.—In conducting audits, reviews, oversight, evaluation, and investigations, in addition to activities designed to prevent and detect waste, fraud, and abuse, the Inspector General shall review programs of grantees under this section for providing disaster relief and recovery assistance to ensure such programs fulfill their agreed-upon purposes and serve all eligible applicants for disaster relief or recovery assistance.

“(m) BEST PRACTICES.—
“(1) **STUDY.—**The Secretary shall direct the Office Community Planning and Development to collaborate with the Office of Policy Development and Research to identify best practices for grantees on issues including developing the action plan under subsection (c) and substantive amendments, establishing financial controls, building grantee technical and administrative capacity, procurement, compliance with Fair Housing Act statute and regulations, and use of grant funds as local match for other sources of federal funding. The Secretary shall publish a compilation of such identified best practices and share with all relevant grantees to facilitate a more efficient and effective disaster recovery process. The compilation shall include guidelines for housing and economic revitalization programs, including mitigation, with sufficient model language on program design for grantees to incorporate into action plans. The compilation shall include standards for at least form of application, determining unmet need, and income eligibility.

“(2) **PROMULGATION.—**After publication of the final compilation, the Secretary shall issue either Federal regulations, as part of the final rule for the above authorization or as a separate rule, or a Fed-
eral Register notice that establishes the requirements which grantees must follow in order to qualify for expedited review and approval. Such guidance shall establish standard language for inclusion in action plans under subsection (c) and for establishing standardized programs and activities recognized by the Secretary. Use of best practices shall not preclude grantees from standard requirements for public comment, community engagement, and online posting of the action plan. Use of promulgated best practices shall allow for an expedited review process, under which the Secretary will approve or disapprove such programs within 30 days. The Secretary shall publish the draft compilation of best practices on its website and allow the public 60 days to submit comments. The Secretary shall review all public comments and publish a final compilation within one year from the date of enactment. The Secretary may revise the requirements for best practices at any time after a public comment period of at least 60 days.

“(n) PLAN PRE-CERTIFICATION FOR UNITS OF GENERAL LOCAL GOVERNMENT.—

“(1) IN GENERAL.—The Secretary shall carry out a program under this subsection to provide for
units of general local government to pre-certify as eligible grantees for assistance under this section. The objective of such program shall be to—

“(A) allow grantees that have consistently demonstrated the ability to administer funds responsibly and equitably in similar disasters to utilize in subsequent years plans which are substantially similar to those the Department has previously approved; and

“(B) facilitate the re-use of a plan or its substantially similar equivalent by a pre-certified grantee for whom the plan has previously been approved and executed upon.

“(2) REQUIREMENTS.—To be eligible for pre-certification under the program under this subsection a unit of general local government shall—

“(A) demonstrate to the satisfaction of the Secretary compliance with the requirements of this section; and

“(B) have previously submitted a plan or its substantially similar equivalent and received assistance thereunder as a grantee or subgrantee under this section, or with amounts made available for the Community Development Block Grant—Disaster Recovery account, in
connection with two or more major disasters declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

“(3) APPROVAL OF PLANS.—

“(A) EXPEDITED APPROVAL PROCESSES.—

The Secretary shall establish and maintain processes for expediting approval of plans for units of general local government that are pre-certified under this subsection.

“(B) EFFECT OF PRE-CERTIFICATION.—

Pre-certification pursuant to this subsection shall not—

“(i) establish any entitlement to, or priority or preference for, allocation of funds made available under this section; or

“(ii) exempt any grantee from complying with any of the requirements under, or established pursuant to, subsection (c) or (d).

“(4) DURATION.—Pre-certification under this subsection shall be effective for a term of 10 years.

“(o) DEPOSIT OF UNUSED AMOUNTS IN FUND.—
“(1) IN GENERAL.—If any amounts made available for assistance under this section to grantees remain unexpended upon the earlier of—

“(A) the date that the grantee of such amounts notifies the Secretary that the grantee has completed all activities identified in the grantee’s plan for use of such amounts that was approved by the Secretary in connection with such grant; or

“(B) the expiration of the 6-year period beginning upon the Secretary obligating such amounts to the grantee, as such period may be extended pursuant to paragraph (2), the Secretary shall transfer such unexpended amounts to the Secretary of the Treasury for deposit into the Community Development Block Grant Disaster Recovery Reserve Fund established under section 124, except that the Secretary may, by regulation, permit the grantee to retain amounts needed to close out the grant.

“(2) EXTENSION OF PERIOD FOR USE OF FUNDS.—The period under paragraph (1)(B) shall be extended by not more than 4 years if, before the expiration of such 6-year period, the Secretary waives this requirement and submits a written just-
tification for such waiver to the Committees on App-
propriations of the House of Representatives and the
Senate that specifies the period of such extension.

“(p) DEFINITIONS.—For purposes of this section:

“(1) GRANTEE.—The term ‘grantee’ means a
recipient of funds made available under this section
after its enactment.

“(2) SUBSTANTIALLY SIMILAR.—The term ‘sub-
stantially similar’ means, with respect to a plan, a
plan previously approved by the Department, admin-
istered successfully by the grantee, and relating to
disasters of the same type.

“(3) OTHER TERMS.—Within one year of enact-
ment of this section, the Department shall issue
rules to define the following terms:

“(A) Unmet needs.
“(B) Most impacted and distressed.
“(C) Substantial compliance.
“(D) Full and open competition.
“(E) Cost plus a percentage of cost.
“(F) Percentage of construction cost.

“SEC. 124. COMMUNITY DEVELOPMENT BLOCK GRANT DIS-
ASTER RECOVERY RESERVE FUND.

“(a) ESTABLISHMENT.—There is established in the
Treasury of the United States an account to be known
as the Community Development Block Grant Disaster Recovery Reserve Fund (in this section referred to as the ‘Fund’).

“(b) Amounts.—The Fund shall consist of any amounts appropriated to or deposited into the Fund, including amounts deposited into the Fund pursuant to section 123(o).

“(c) USE.—Amounts in the Fund shall be available, pursuant to the occurrence of a major disaster declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, only for providing technical assistance and capacity building in connection with section 123 for grantees under such section that have been allocated assistance under such section in connection with such disaster to facilitate planning required under such section and increase capacity to administer assistance provided under such section.”.

(b) Regulations.—

(1) Proposed rule.—Not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall issue proposed rules to carry out sections 123 and 124 of the Housing and Community Development Act of 1974, as added by the amendment made by subsection (a) of
this section, and shall provide a 90-day period for submission of public comments on such proposed rule.

(2) Final rule.—Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall issue final regulations to carry out sections 123 and 124 of the Housing and Community Development Act of 1974, as added by the amendment made by subsection (a) of this section.